GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2405
ANSWERED ON:07.08.2001
LOSSES IN HINDUSTAN ANTIBIOTICS LTD.
UTTAMRAO NATHUJI DHIKALE

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Hindustan Antibiotics Ltd. (HAL), Pune (Maharashtra) is running in loss;

(b) if so, the total loss suffered by HAL and the reasons therefor;

(c) whether HAL has submitted any proposal to the Union Government to sell out some of its land in order to make up the loss; and

(d) if so, the areas of land proposed to be sold and the amount likely to be earned therefrom?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI S.B. MOOKHERJEE)

(a) & (b) : The company has been suffering losses from the year 1993-94 and has been declared sick by BIFR on 31.3.97.The accumulated loss of the company for the period upto 31.3.2001 was Rs. 166.23 crores (provisional). The reasons forlosses as identified by the Operating Agency, appointed by the BIFR, areincreasing overheads and input costs, low capacity utilisation, technical obsolescence, huge fixed costs, large township maintained by it, tough competition and lack of professional management.

(c) & (d): A scheme has been submitted by the company for rehabilitation and as per the projections made it, an amount of Rs. 40 crores is expected to be raised by way of sale of about 66 acres of land out of which about 6 acres are to be reserved for public purpose.